

10. RATE SCHEDULE ILD – INTERRUPTIBLE LIQUEFACTION AND DELIVERY SERVICE
GARNER, IOWA

A. Availability

This Rate Schedule is available for the liquefaction and delivery of natural gas (“LNG”) by Northern Natural Gas Company (“Northern”) on an interruptible basis under the following terms and conditions:

1. Shipper has executed an ILD Service Agreement of the form contained in Northern’s FERC Gas Tariff;
2. Delivery of LNG shall be at the loading platform at Northern’s LNG plant located near Garner, Iowa (“LNG Plant”);
3. Shipper delivers equivalent quantities of natural gas to the LNG Plant as set forth herein.

B. Applicability and Character of Service

This Rate Schedule shall apply to LNG available for receipt by Shipper at the LNG Plant. Shipper shall receive the LNG into a properly qualified transporting vehicle or other facility. Deliveries hereunder shall be made at Northern’s sole discretion based upon Northern’s determination of the quantities available in excess of those required by Northern to operate its system. Northern will post the availability of LNG Service on its website and any applicable terms and conditions.

C. Rates and Charges

Unless otherwise mutually agreed to by Northern and Shipper, the charge per Dth for service under this Rate Schedule shall be within the minimum and maximum levels shown in Part 4, Section 7. The rate Shipper shall pay will be set forth in Shipper’s service agreement, or otherwise agreed to in writing.

Shipper shall be responsible for all applicable transportation charges, including, but not limited to, Fuel and UAF and electric compression charges, related to the transportation of Shipper’s natural gas to the LNG Plant. Shipper shall also be responsible for any applicable excise tax.

Performance Obligation Charge. For scheduled or confirmed quantities of liquefaction delivery not taken, the billing shall be the sum of said scheduled or confirmed quantities multiplied by the daily Performance Obligation Charge shown in Part 4, Section 7.

Northern reserves the right to waive the Performance Obligation Charge in a not unduly discriminatory manner. Northern will post on its website for a 30 day period any waived Performance Obligation Charge.

D. Procedure to Request Service

To initiate service under this Rate Schedule ILD, a valid request must be submitted in accordance with Section 26, "Requests for Service" and Section 27, "Information Required for a Request for Service," of the GENERAL TERMS AND CONDITIONS of this Tariff.

After receipt of the requests, Northern shall tender an ILD Service Agreement. From time to time, Shipper may request an ILD transaction. The terms will be specified in an Appendix A which shall include:

1. Total Quantities,
2. A proposed delivery schedule for such quantities, and
3. Shipper and/or its carrier company(s) shall have proper insurance acceptable to Northern, from an insurance company in good standing and acceptable to Northern, and Shipper shall provide or cause to be provided to Northern a certificate of insurance, prior to the movement of any vehicle onto Northern's property.

Nothing contained herein shall be construed as requiring Northern to meet the quantities or as precluding revisions to such quantities as conditions may require. Northern and Shipper shall enter into an ILD transaction setting forth the specifics of the delivery.

The conditions of delivery are as follows:

- (a) Unless agreed to otherwise, Shipper shall provide at least a 24-hour notice prior to each delivery; such notice shall state the date and time the carrier will arrive at the LNG Plant, and the quantity of LNG to be delivered.
- (b) It shall be Shipper's responsibility to assure that Shipper's receiving facilities are compatible with Northern's delivery facilities.
- (c) The carrier's transportation vehicle and operator shall be, and remain, in complete compliance with all codes and regulations pertaining to the transportation and handling of LNG.
- (d) Northern may refuse to (i) allow Shipper's transportation vehicle to enter its property or (ii) load LNG, at any time, in Northern's sole discretion, if the LNG is needed for Northern's use, or for reasons of safety or security.
- (e) Other reasonable terms and conditions as may be specified in a posting by Northern when Northern makes LNG generally available.

If Shipper fails to take delivery of any scheduled or confirmed quantities or fails to deliver Payback Volumes twice within the same calendar year, Northern may terminate the ILD Service Agreement for such Shipper and refuse to provide ILD Service to the Shipper in the future. The termination of a Shipper's ILD Service Agreement will not relieve the Shipper of any Performance Obligation Charges incurred.

E. Measurement

The quantity of LNG delivered by Northern to Shipper shall be determined in accordance with industry standards and may be by weight or by metered quantity. The weight or metered quantity of LNG so delivered shall be converted into Dth in accordance with the American Gas Association Gas Measurement Committee Report No. 5 of Fuel Gas Energy Metering, as amended, expanded or superseded from time to time, applied in an appropriate manner. If both a weight and a metered quantity are provided, the weight will be used to determine the Dth equivalent to be transported to the LNG Plant by Shipper.

F. Shipper's Delivery of Natural Gas to Northern for Liquefaction

By the last day of the month following the month the Shipper receives LNG under this Rate Schedule (Payback Period), Shipper shall transport gas under a throughput service agreement to the LNG Plant delivery point. The quantity of natural gas transported to the LNG Plant delivery point shall be the natural gas equivalent of the LNG (in Dth) delivered by Northern to Shipper under this Rate Schedule (Payback Volume). To the extent Shipper fails to deliver the Payback Volume within the Payback Period, Northern may invoice Shipper at 150% of Northern's replacement cost.

Only Shippers' with an ILD Service Agreement, or the Shipper's designee, shall be allowed to nominate the LNG Plant delivery point for transportation service.

G. Indemnification

Except for losses, claims, or damages arising out of Northern's sole negligence, Shipper shall protect, indemnify and save harmless Northern, its affiliated companies and officers, directors, stockholders, employees, agents and servants from and against all liabilities, losses, claims, damages, penalties, causes of action, or suits (including suits for personal injuries or death and including reasonable attorneys' fees and expenses) arising out of or alleged to arise out of Northern's delivery of LNG or Shipper's, or its agents', employees', contractors' or subcontractors' receipt of LNG from Northern, or presence on property owned or leased by Northern, and including any liabilities, losses, claims, damages, penalties, causes of action, or suits arising out of or alleged to arise out of, the design, construction, maintenance, and operation of facilities owned by Northern or Shipper used to deliver LNG from Northern to Shipper or for Shipper to receive LNG from Northern.

Shipper's liability for claims hereunder shall extend to claims arising out of breach of contract, warranty, negligence, tort, strict liability, product liability, statutory or regulatory liability, indemnity, contribution and any other legal or equitable theory and shall not be limited solely to direct damages (also known as legal, contract or expectation damages). Such liability may include direct, consequential and any other type of damages, including lost profits, lost opportunity costs, or lost revenue.

H. General Terms and Conditions

The GENERAL TERMS AND CONDITIONS of this Tariff, to the extent they are applicable to the deliveries of LNG as provided herein, are hereby incorporated into and made a part of this Rate Schedule.